The Bulletin

East Bay Association of Enrolled Agents

A Chapter of the California Society of Enrolled Agents
Affiliated with the National Association of Enrolled Agents

January 2015

NEXT MEETING **Wed, January 21, 2015**

Place: **Dublin Holiday Inn**
6680 Regional St., Dublin, CA 94568
(go to http://www.holidayinn.com/hotels/us/en/dublin/dubrm/hoteldetail#Directions) ***or take BART!***

4:30 Board Meeting

6:15 Networking

6:30 Dinner Buffet

7:00 Program: **"Ethics, in Preparation and Representation"**

Cost: $40.00 with reservation by Friday, Jan 16
$50.00 with reservation after deadline

Course numbers and credit:
IRS: To be assigned
CTEC: To be assigned
2 Hours of Ethics (approval pending)

Sign up online at:
https://www.123signup.com/calendar?Org=ebaea
(Please print out your confirmation to ensure that you clicked all the right buttons to register) Questions: email ebaea@ebaea.org (preferred) or call 800-617-1040.

January Session: "Preparation, Representation, Perspiration"

Speaker: Alan Pinck, EA

by Peggy Hall, EA

Learn about Ethics in a world in which we do more than prepare tax returns. We know that we are all governed by Circular 230. But when we prepare returns we have ethical requirements that are different from the responsibilities when we represent a taxpayer under audit.

In this session we will look at both areas and refresh ourselves on the rules and challenges we face in our daily practices.

Alan Pinck, EA, presents this two hour ethics class in a way that makes the ideas very practical to use, dealing with your clients. Not only can you get your ethics requirement out of the way (course approval pending), but this session will help each of us with tax season.

The program will cover practical matters such as:

1. Discover how Circular 230 applies to practice and preparation.

2. Understand restrictions on fees charged and use of client records.

3. Know how to ask the questions that due diligence requires.

With 2 hours of CE on Ethics, the target audience is: Enrolled Agents, attorneys, CPAs, CTEC Registered tax preparers, RTRPs and unenrolled preparers.

Alan Pinck is an Enrolled Agent with 25 years of tax experience in the San Francisco Bay Area. He has built a practice specializing in individual, small business tax preparation and audit representation. Having represented clients in well over a thousand audits, Alan has obtained tremendous insight of the audit process, as well as tax knowledge on a wide variety of issues. His volunteering for S.C.O.R.E for over 20 years, speaking on topics of business tax and record keeping, has given him an opportunity to help many new businesses and introduce them to what an Enrolled Agent is. Alan has held various board positions for his local chapter (MSEA) and is currently the chair of the NAEA Education Committee.

PRESIDENT'S MESSAGE

by Patty Pringle, EA, President, EBAEA

Happy New Year! Time to break out the new calendars. I love this time of year! The software is updated and now it's time to hit the ground running. As in years past, we are facing new challenges. This year, the Affordable Care Act will take our time, test our skills, and allow us to provide value to our clients.

The Chair of our Nominating Committee, Gail Nanbu, EA, is out and about seeking new members to serve on the EBAEA Board of Directors. If you are interested, please send an email to Gail at gail@pgnea.com We are also looking for volunteers to serve on committees: Education, Membership, Legislative, Communications and Public Information Awareness (PIA). We can always use help with registration at events. It's a great way to have your voice heard and help guide the path of our chapter.

Hopefully, by this time next month, our chapter will have a new, updated website. If you have suggestions, please email me at eapattypringle@sbcglobal.net . I'd love to get ideas on how we can keep it fresh and informative.

I hope you will all take the opportunity to come to the January dinner meeting. Alan Pinck, EA will be presenting 2 hours of Ethics. We have other great educational events planned for 2015. If there is a topic that interests you, please let us know. We really do listen to your requests.

On page 5 of this Bulletin, note the Letter to the Editor from Phil Fiegler, EA, with some helpful information on data entry to ensure that Power of Attorney forms are not rejected by the IRS.

Have a wonderful filing season!

MEMBERSHIP COMMITTEE REPORT

by Aida Q. Torres, EA, Membership Chair

We hope everyone had a very good celebration of the Holiday Season, the best time of the year spent with families, friends, relatives and loved ones!

We are now on to a new year, with new goals and new year resolutions, to give us a great start! Our "Orientation Event" is scheduled for January 21st, from 5:15 to 6:00 p.m. The event depends on the response from the invited members; RSVP to aida@aidatorres.com, so that we can prepare "orientation packets"! After this event, attendees can join our networking and dinner meeting. For first time dinner meeting attendees, we cover the dinner fee! Just let us know ahead of time if you qualify!

In the first half of this fiscal year, July through December, 2014, twenty-five (25) EAs became members of our Chapter. Let's welcome the most recent new comers to our Chapter, Frank Blazic, EA and Felle Suguitan who joined us in December.

To get more information on coming events, please login to: www.ebaea.org.

If you have recently joined, and your name is not listed, contact Aida, at aida@aidatorres.com or by phone to 510-724-6409. All new members, professional associates and professional affiliates will receive a packet from CSEA. All new EA members will receive a packet and certificate from EBAEA. If you are a new EA member, and haven't received a packet from the Membership Committee, please let us know.

TAX HELP DAY – February 7, 2015

by Andrew Rogers, EA

The East Bay Association of Enrolled Agents will sponsor a Tax Help Day event, along with most of the other CSEA Chapters around California, on Saturday, February 7. This is a Public Information and Awareness event, to give Enrolled Agents visibility. We will not charge for answering questions from the general public, and will provide no written advice, no return preparation, only answers to questions.

Currently, we have one location secured, at the Lafayette Chamber of Commerce at 100 Lafayette Circle in Lafayette, 9 am - 4 pm. Andy Rogers is keeping a sign-up sheet. To participate, email Andy at Andy@TaxBuddha.com. Bring your favorite reference materials.

For the Lafayette site this year we've distributed 760 flyers with the Chamber of Commerce monthly newsletter, so we're expecting a greater population to attend. Why the Lafayette Chamber? Because Andy is a member, and they lend us their conference room for free. In previous years, we used an Oakland site, but they have gone out of business.

MEMBERS SPEAK

Upcoming presentations by EBAEA Members include:

January 6 (Tue): "Basic Payroll," 9 am - 3 pm, in San Francisco, 455 Market Street, Sixth Floor. Michele Zimmerman, michele.zimmerman@comcast.net or 925-676-2094

January 13 (Tue) to Feb 10, weekly: "Starting Up Your Business (Session 1)," 7:00 – 9:00 pm, at Concord Parks & Recs Willow Pass Community Center. Michele Zimmerman, michele.zimmerman@comcast.net; www.ConcordReg.org

January 17 (Sat) to Feb 14, weekly: "Intermediate Residential Real Estate," 12:30 – 2:30 pm, at Concord Parks & Recs Willow Pass Community Center. Michele Zimmerman, michele.zimmerman@comcast.net; www.ConcordReg.org

January 17 (Sat) to Feb 14, weekly: "Intro to Residential Real Estate," 10:00 am – Noon, at Concord Parks & Recs Willow Pass Community Center. Michele Zimmerman, michele.zimmerman@comcast.net; www.ConcordReg.org

February 4 (Wed): "Basic Payroll," 9 am – 3:30 pm, at 1515 Clay St, Room 9, in Oakland. Andy Rogers, 510-332-0401 or Andy@TaxBuddha.com

February 22 (Sun): "Basic Tax and Recordkeeping Information for Self-Employed People," 9:30 am – 4:00 pm, in Montclair District of Oakland. Jan Zobel, EA, Jan@JanZtax.com or 510-482-1015

For EBAEA members to list speaking engagements next month, please email Andy@TaxBuddha.com with details.

CHECK YOUR CE CREDITS!

by Marjorie Williams-Jones, EA, Education Coordinator

After every meeting, you can (and should) be checking the CE credits that have been reported for you at the website https://rpr.irs.gov/datamart/mainMenuUSIRS.do

You can also find this site through IRS.gov / For Tax Pros / Register or under "Renew your PTIN."

After logging in, a window will open that allows you to re-new your PTIN (if needed), read your Messages from the IRS; at the very bottom of the window is "View My Continuing Education Credits."

After you check your credits, please let me know if you find anything amiss for EBAEA meetings you've attended. Contact me at marj@marjtax.com.

JIM STERN LEGISLATIVE DAY – JAN 9!

by Peggy Hall, EA

We hope you've signed up with CSEA, and if not, be sure to do so next year!

This CSEA Members-only annual event is geared toward developing the Society's grassroots advocacy program and providing guidance and instruction to Enrolled Agents on how to effectively lobby their legislative representatives. CSEA will coordinate appointments with representatives from both Senate and Assembly offices for each participant who registers to attend.

These visits give Members the opportunity to introduce themselves, explain what EAs do, discuss any legislative concerns and lobby for CSEA's positions, and offer themselves as a resource to policymakers as tax experts.

This is a prestigious and interesting event!

DINNER FEE INCREASED

Announcement for the Board of Directors

In an effort to keep the Chapter in good fiscal shape in light of rising costs over the last few years, the Board of Directors made the decision to increase the fee for our monthly dinner meetings. The fee is now: $40 with a reservation by the Friday before the meeting; $50 with a reservation after that Friday deadline.

The Board knows your time and money are valuable. We strive to provide educational and networking opportunities that we hope you will continue to find worthwhile of your monthly investment of time and money.

BULLETIN AVAILABILITY

by Robert L Seymour, EA

You may want to store, as a favorite in your browser, this permalink to access the Bulletin:
http://www.ebaea.org/Bulletin/current.pdf

The same link will work every month.

Small Group Tax Meetings

Antioch /Brentwood Fridays 8:00am
Brentwood Café, 8500 Brentwood Blvd, Brentwood
Ken Seamann EA (925) 634-8297

Danville Area 4th Tue 9:30am
Pascals French Oven, 155 Railroad Ave, Danville
Michael Power EA (510) 366-8836

Oakland Area (Near BART) 4th Tue 9:00am
Buttercup Café, 229 Broadway, Oakland
Andy Rogers EA (510) 332-0401

Livermore Area Fridays 8:45am
Shari's Restaurant, 1116 East Stanley Blvd, Livermore
Jerrilynn Krebs EA (925) 606-8181

Castro Valley 3rd Tue 8:00am
Carrow's, 2723 Castro Valley Blvd @ Lake Chabot, CV
Dagmar Bedard EA (510) 537-3883

South Alameda County 1st Wed 9:30am
Mimi's, 24542 Hesperian, Southland Mall, Hayward
Sal Romo EA or Walt Thomas EA (510) 487-1691

Email-only Group as needed
Send an email to halloftaxes@gmail.com
Peggy Hall EA (925) 388-1040

QUICKFINDER ORDER TIME !

by Clare Flores, EA

Once again, we are able to get a group discount, and our chapter gets a commission on each item you buy. Get an excellent reference for the tax season and support your chapter at the same time. You can order on line at http://quickfinder.thomson.com ; just be sure to use the discount code Q521. Your order will be shipped directly to you at the price indicated on the form.

Please email clare@taxandpayroll.com if you have any questions or need additional information.

EBAEA EMAIL LISTS

EBAEA sends news to Members via two one-way (send-only) email distribution lists. Subscription is free and completely voluntary, and you can subscribe or unsubscribe to either list any time you wish. For more information and to manage your subscription, visit:
http://ebaea.org/cgi-bin/dada/mail.cgi

BULLETIN ADVERTISING POLICY

by Robert L Seymour, Bulletin Editor

To encourage more Members to use the Bulletin to fill their needs, we present the Bulletin advertising policy:

1) All Bulletin notices are run for a maximum of three months. If you wish to run a notice for a longer period, you must resubmit the notice.
2) Maximum notice size is 1.5 column inches. This equals a space one and one-half inches high by one column (3.5 inches) wide. The standard Bulletin font is Times New Roman 11 point.
3) The Bulletin Editor reserves the right to edit any notice for style, content and length.
4) All notices must be submitted (and payment received) by the 25th of the month prior to initial publication. Send desired text to: EBAEA.Editor@gmail.com.
5) Member notices seeking or offering employment, clients or EA-practice-related matters are run at no charge as a Member benefit. This includes an ad run by a firm which employs a Member. Member notices offering other services or products, and all non-Member notices are run at the standard fee of $150 for the three-month insertion.

The Bulletin Editor reserves the right to modify or reject any notice which, in the sole opinion of the Editor, violates any of the principles of EBAEA.

HUMOR

An accountant goes into a pet shop to buy a parrot. The owner shows him three seemingly identical parrots on a perch and says, "The parrot on the left costs $500."

"Why does that parrot cost so much?" asks the accountant.

"Well," replies the owner, "it knows how to do complex audits."

"How much does the middle parrot cost?" asks the accountant.

"That one costs $1,000 because it can do everything the first one can do, and knows how to prepare financial forecasts."

The startled accountant asks about the third parrot.

"It costs $4,000," says the shop owner.

"What can it do?" the accountant asks.

"To be honest, I've never seen him do a darn thing, but the other two call him Senior Partner."

A tax accountant and a lawyer were laying on a beach in Hawaii, sipping mai tai's. The lawyer started telling the accountant how he came to be in Hawaii. "I had this downtown property in Memphis that caught fire, and after the insurance paid off, I moved here." The tax accountant said, "I had a downtown property in Miami that got flooded and I moved here with the insurance proceeds." The lawyer took another sip of his drink and asked in a low voice, "How do you start a flood?"

Two junior doctors in a hospital were fighting. A nurse had to pull them apart. "What is this all about?" the nurse asked angrily. "It is the IRS agent in C ward," said one. "He has only 2 days to live!" "He had to be told," said the second doctor. "I know," said the first, "but I wanted to be the one to tell him!"

THREE STRIKES, YOU'RE . . . OPR?

by Robert L Seymour, EA

Most of us are familiar with the Loving case, concluding that a tax return preparer is not a "representative" (with authority to bind another) nor is the preparer engaged in "practice" before the IRS by filing a tax return.

In the August, 2014 issue of this Bulletin, we noted the results of the Ridgely case, a second challenge to the scope of Circular 230, dealing with a practitioner who collected contingent fees on a refund claim, and the Court concluded that practitioners preparing a refund claim are not "representatives" nor is filing a refund claim "practice" before the IRS, since no adversarial assessment has been made. *The Court rejected the idea that because the practitioner is allowed to practice before the IRS at times, the IRS has authority to regulate all of their conduct.*

Now we have the Sexton v Hawkins case, involving an attorney (LLM(Tax)) who had previously represented taxpayers but had been suspended by the Office of Professional Responsibility (OPR), leading him to engage (only) in tax return preparation and tax advice to clients.

Relying on Circular 230, suspecting that Mr. Sexton was engaged in practice before the IRS, OPR asked him extensive questions in writing and requested client documents, including tax returns, documents he had used or relied upon, and explanations of the tax law that he had provided to clients. He sued for declaratory relief that he was not subject to OPR regulation, and an injunction.

The case raises several issues of OPR's authority to regulate a (non-)practitioner under Circular 230.

The Court ruled that Sexton had a legitimate claim for relief, and discussed whether he was a "practitioner" and whether "the giving of tax advice is beyond the scope of the regulatory authority" of the OPR. The court entered an injunction and prohibited the IRS from suspending his ability to e-file for failing to produce the requested records. Presumably, this court decision is not the final outcome of the case.

You can read about this case in Robert T. Leonard's online newsletter, at
http://www.leonardtaxlaw.com/December-2014-Newsletter.shtml#2
You may want to sign up for his mailing list, too!

CSEA ONLINE LEARNING

The CSEA **Learning Portal** offers exceptional tax education, on demand.

Did you miss SuperSeminar last year? Is there a SuperSeminar session you wanted to attend but conflicted with the one you chose? What about a client matter that just came up and you're not sure how to handle it?

CSEA offers online replays of SuperSeminar presentations from 2012 to 2014. This is a great refresher, or a primer for a subject on which you need more info.

Check this out now! Go to www.csea.org and mouse over the "Education & Events" tab, then mouse down and click on "Online Learning Portal". You won't be sorry…

In addition to the Online Learning Portal, check out CSEA's **digiTAX Webinars**, under the same "Education & Events" tab.

As the website says, "CSEA's newest digiTAX offering Building Blocks are hands-on pen-to-paper extensive and complete and deliver the fundamental tax knowledge you need to either refresh an already established career or kick-start a successful career as a tax professional. This year's suite of Building Blocks offerings explore Schedules A, B, C, D and E, taking you line by line from start to finish – you can take all five webinars at a special bundled price or take a few – the choice is yours."

Most recently, as covered in the new January 2015 issue of California Enrolled Agent, CSEA has partnered with the California Society of CPAs to make available **webcasts** on a variety of topics of interest to EAs, some with CE credit, others to enrich our professional expertise. In January, on tax topics, you'll find webcasts on "Tax Research Skills," "Fundamentals of Partnership Taxation," "Fundamentals of 1031 Exchanges" and "S-Corporation – A Complete Guide . . ." and others!

UPDATE: ASK BOB (RANKIN)

by Robert L Seymour, EA

In the September 2014 issue of this Bulletin, I introduced a website, The Rankin File and its sibling site, Ask Bob, found at http://rankinfile.com and http://askbobrankin.com , which provide information on safe use of technology by businesses and individuals, and ways of controlling technology costs.

The AskBob web site recently released two articles with the "Best of 2014", which might be of interest. Articles included free internet faxing services, free antivirus programs, boosting your wifi signal, Windows troubleshooting tools, and most common internet security mistakes. How about "10 Stupid Things You Can Do to Mess Up Your Computer."

I hope you can find something useful there.

CALIFORNIA TAX NEWS ONLINE

by Robert L Seymour, EA

In addition to the CSEA, IRS and other online services that you may follow, it's worth taking a look at the FTB's Tax News, which you can find online at https://www.ftb.ca.gov/professionals/taxnews/2015/January/index.shtml You can sign up to receive notification when the new monthly issue is available, and they can be downloaded as PDF files for your electronic library.

The current issue covers, among other things, California treatment of the Self-Employed Insurance Deduction Under the New Affordable Care Act, and New Filing Requirements for 1031 Exchanges, as well as questions and answers from the liaison meeting with CalCPA.

If you aren't looking at the FTB information regularly, I'd encourage you to review Tax News and get a notification subscription.

LETTER TO THE EDITOR

from Philip Fiegler, EA, NTPI Fellow

Re: Power of Attorney Form Submission

I recently had a POA returned to me by IRS, claiming that I filled out Part II incorrectly. They stated that next to my designation column for being an EA, I had to fill in "IRS" as "Licensing jurisdiction." I had never filled in this column before. Reminder, the Form 2848 was revised in July, 2014. Since the appearance of the section on the bottom did not change from the prior version of the form, I did not fill it in any differently. I have been using the new version of the form since it was released, but this is the first time IRS has complained.

It made me curious, so I checked the form instructions for both the 7/2014 and 3/2012 versions of the 2848. Sure enough, in the previous version, the jurisdiction field was generally for filling out the licensing state, if someone was a CPA, Attorney, or other state-licensed practitioner. **The 7/2014 version does state to place "IRS" there if you are an EA.**

Be aware of your software: I generally use either Lacerte or Tax Tools to create the POA, depending on the situation at hand. I went into the Tax Tools preparer DB, and added IRS to the jurisdiction field. I also checked the Lacerte preparer DB. Weirdly enough, my EA number was sitting in the jurisdiction field, instead of the license # field. I moved it to the license # field and added "IRS" to the jurisdiction field.

I looked at a POA in both programs and everything is now where it is supposed to be. **You may need to make changes in any software you use.**

EAs AVAILABLE TO SPEAK

Although our speaker's development group has been dormant in recent months, there are still a number of chapter members who welcome the opportunity to speak on a variety of tax topics. If you know of a group that would like a guest speaker, please contact Andy Rogers, EA, or Mark Bole, EA for suggestions.

CALENDAR OF EVENTS

January 2015

8 Mission Society: Cast in Concrete Updates
@ Mariani's Inn, Santa Clara

9 Jim Stern Legislative Day
In Sacramento

15 North Bay seminar: K-1 Competencies
@ Inn Marin, Novato

16 North Bay: Last Chance Updates seminar
@ Inn Marin, Novato

17 Solano-Napa chapter: Fed/CA Tax Update
@ Courtyard Fairfield Napa Valley Area

21 **EBAEA Dinner Meeting:**
Ethics in Preparation & Representation
@Holiday Inn, Dublin

February 2015

7 **Tax Help Day! (see announcement, p 2)**

2014 - 2015 Board of Directors and Committee Chairs

Web Page http://www.ebaea.org   Bulletin editor: EBAEA.Editor@gmail.com. (Robert L Seymour, EA)

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EAST BAY ASSOCIATION OF ENROLLED AGENTS

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If you haven't already done so, please note the current address for the East Bay Association of Enrolled Agents:

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